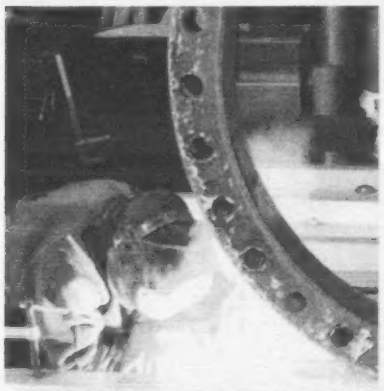
Municipal Pension Plan

2013 ANNUAL REPORT

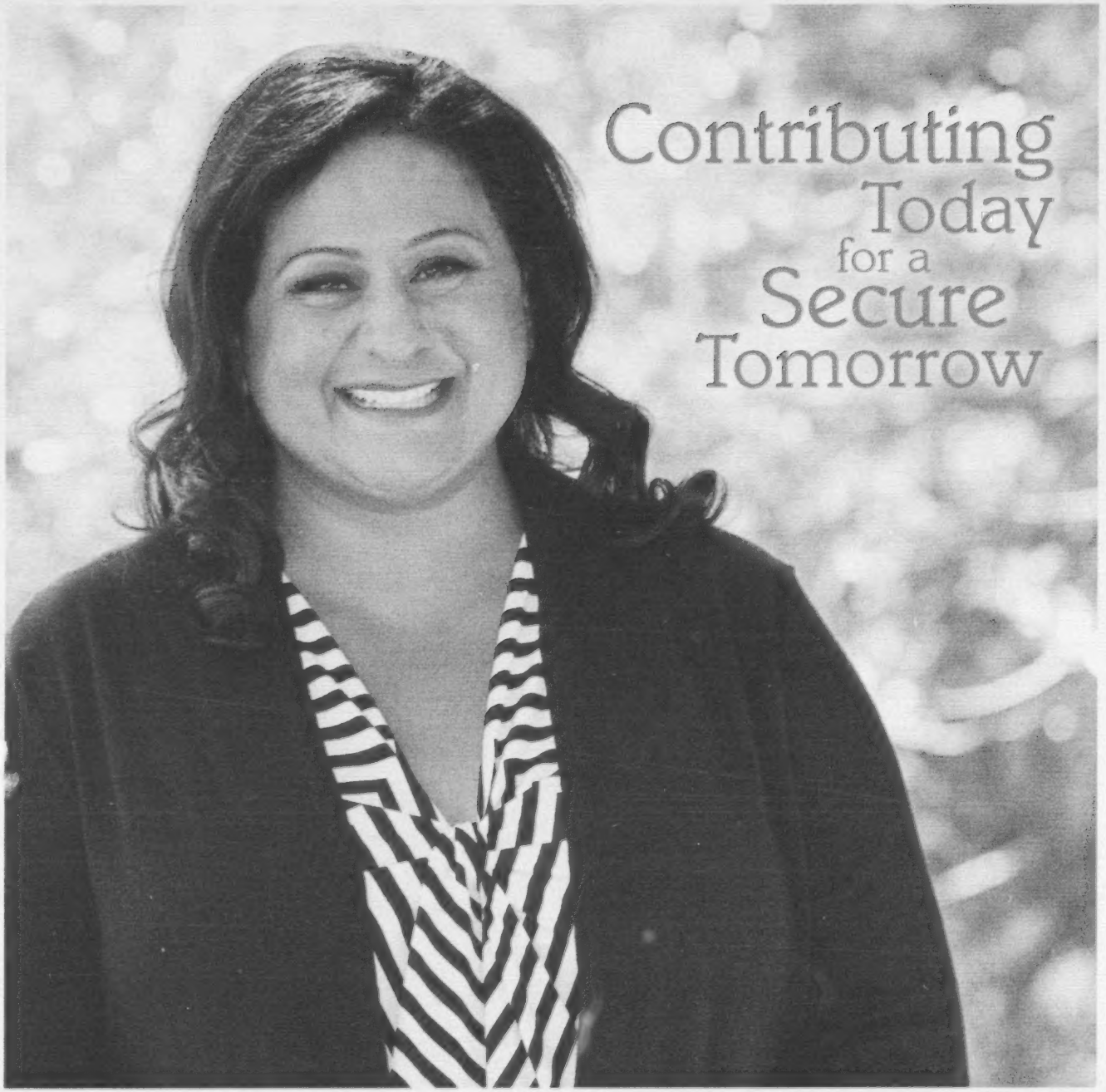
Investment Highlights

Plan Details

And more...



Economic Impact Report inside



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TRUSTEE MESSAGE

The results are in: Municipal Pension Plan is good for the BC economy

New independent research proves that public sector pension plans in BC are also good for communities, individual plan members, and the Canadian economy.

The Municipal Pension Board of Trustees (the Board) has always known how important plan members and employers are to British Columbia. They perform vital work in our municipalities, health care, public safety, education—a vast range of professions our province relies on every day.

Now we have new proof that demonstrates how valuable the Municipal Pension Plan is to BC. The Conference Board of Canada, in an independent study commissioned by the Board, found that BC's public sector pension plans **increase investment in Canada**. The investment is a result of higher saving rates, so not only are members better prepared for retirement, but Canada has more investment capital.

In fact, the large savings pool will add around $60 billion more in capital to the economy by 2035. Those increased investments will add to the Canadian gross domestic product (GDP) by just over $85 billion between 2012 and 2035, and the estimated impact specific to BC is $10.6 billion. The research also shows that BC communities benefit because higher pensions result in higher spending in the communities where retirees live. Spending in the province is about $2 billion higher each year because of the savings in BC public sector pension plans.

This higher income also has an effect on provincial employment. The Conference Board calculates that 13,000 more jobs each year in BC can be attributed to the increased retiree incomes and spending effect from the plans.

The Conference Board used data provided by the Board's plan administrator, the BC Pension Corporation, and the Board's investment manager, the British Columbia Investment Management

The research shows that communities benefit because higher pensions result in higher spending in BC communities where retirees live. Spending in the province is about $1.3 billion higher each year because of the savings in the plans.

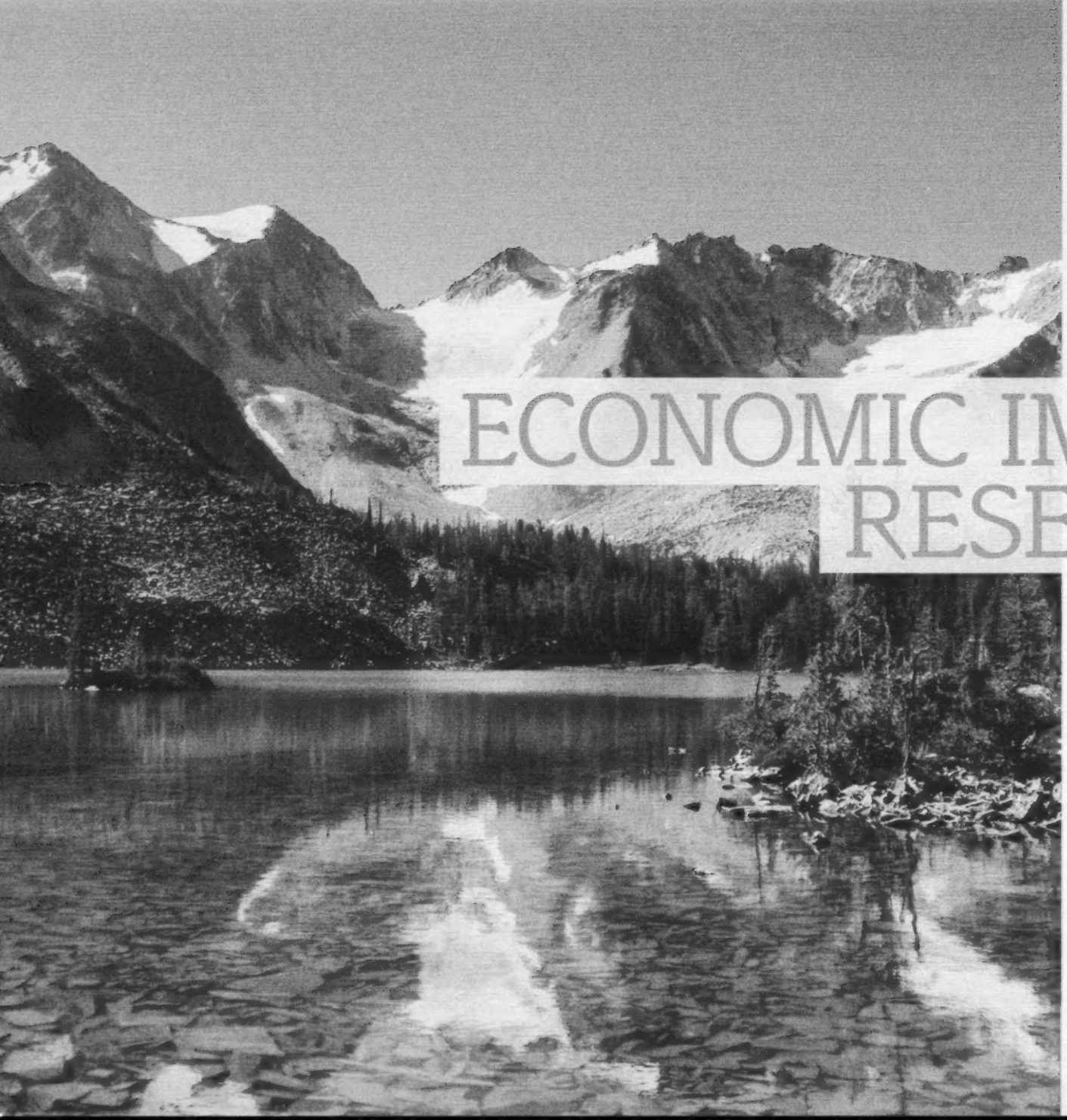
Corporation (bcIMC) as well as data from Statistics Canada to create a model of savings behaviour specific to each of the BC public sector plans, and then simulated similar profiles for a typical RRSP saver. The model showed that BC public sector pension plan members have a higher rate of retirement savings (about $2.2 billion per year) than the typical RRSP savers in BC.

These results support what the Board has always believed: the Municipal Pension Plan is good for members and good for BC. It is an example of what a well–governed and well–run pension plan can do not just for its members and employers, but for the province as a whole.

The Board doesn't take this good news for granted, however. We remain committed to managing the Plan proactively and equitably for the benefit of all members. This is why in 2013 we examined different options to create a new model for delivering cost-of-living adjustments. This new model will help ensure cost-of-living adjustments are available not only to the retirees of today but to the retirees of tomorrow. More information about the new model will be shared with plan members in the summer of 2014.

I invite you to review this Annual Report for more information about how the Municipal Pension Plan performed in 2013. We welcome your feedback.

Brendan Dick,
2013 Board Chair



ECONOMIC IMPACT RESEARCH

Work Here

Spend Here

Save Here

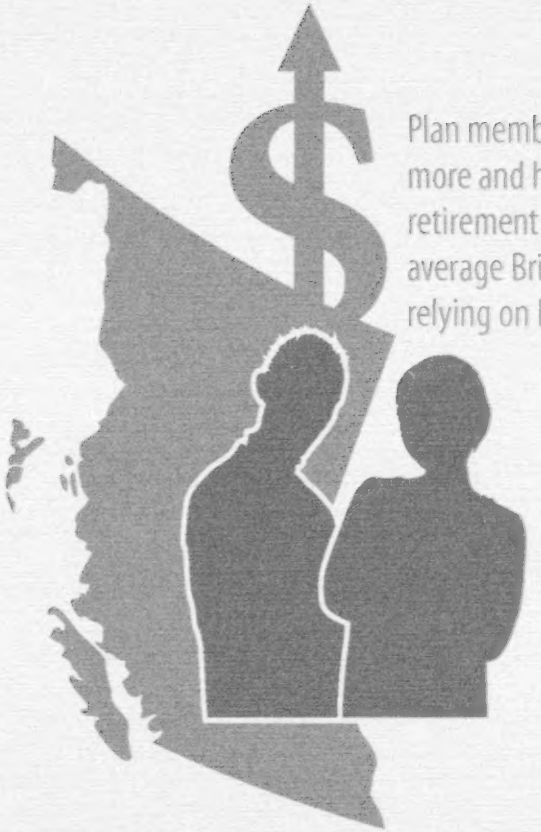
Live Here

ECONOMIC IMPACT

Work Here

MPP employers and members are crucial to BC

If you know a health care worker, police officer, firefighter, municipal worker or social service provider, you likely know a Municipal Pension Plan member.



Plan members save more and have higher retirement incomes than average British Columbians relying on RRSPs

ECONOMIC IMPACT

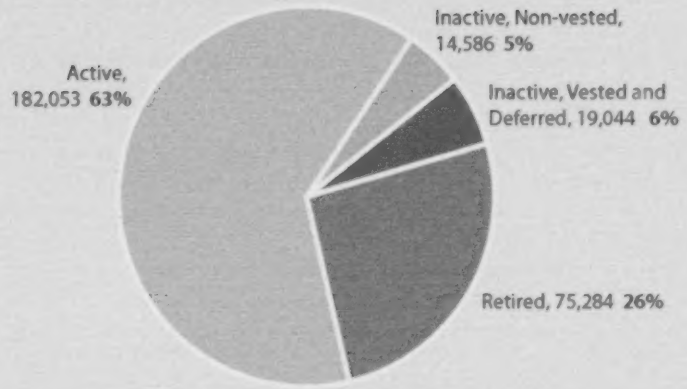
Spend Here

Municipal Pension Plan members work hard and save hard

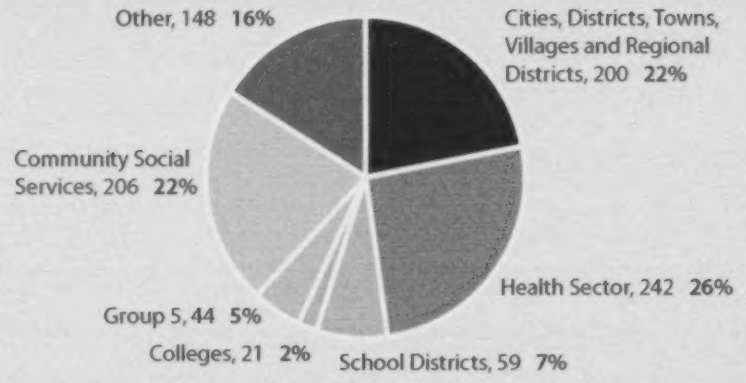
The Plan has a positive impact on BC communities

- Solid pensions result in higher spending in communities where plan retirees live.
- In addition to the impact of increased savings, the research shows that BC communities benefit from higher spending of public sector pension plan members like those in the Municipal Pension Plan. Spending in the province is about $2 billion higher each year because of the savings in the BC public sector pension plans.

Active Member Profile
As at December 31, 2013



Municipal Pension Plan Employers
As at December 31, 2013


Other, 148 16%
Cities, Districts, Towns, Villages and Regional Districts, 200 22%
Community Social Services, 206 22%
Health Sector, 242 26%
Group 5, 44 5%
Colleges, 21 2%
School Districts, 59 7%

ECONOMIC IMPACT

Save Here

Being a plan member helps employees become disciplined savers

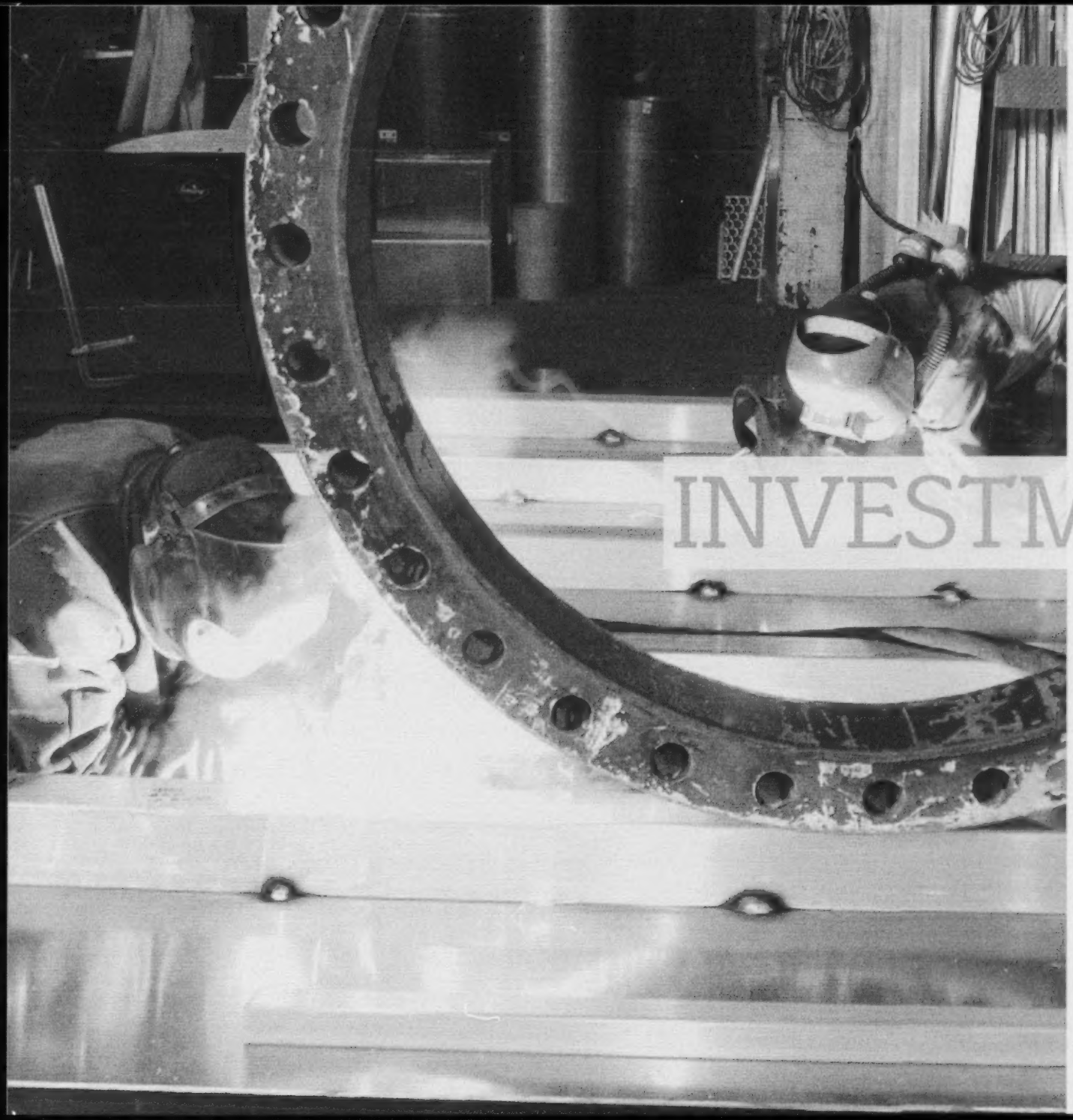
- BC public sector pension plans are designed to encourage a high rate of retirement savings.
- Only one quarter of employees who do not have a trusteed pension plan contribute to RRSPs. BC public sector pension plan members save about $2.2 billion more than the typical RRSP savers in the province.

ECONOMIC IMPACT

Live Here

From Dawson Creek to Greenwood, Terrace to Trail: Municipal Pension Plan employers and members work, support and live in BC

- BC has over 13,000 more jobs because of the savings effect from the BC public sector plans. Income and spending in the province is about $2 billion higher each year because of the savings in the BC public sector plans.



PLAN INVESTMENTS

Investment Highlights

The Plan Portfolio

Report on Investment Returns

Managing Costs

Investing Responsibly

Global Infrastructure and Renewable Resource Investments

Market Outlook

Investment Highlights

The Municipal Pension Board of Trustees (the Board) is responsible for overseeing an investment portfolio of approximately $36 billion for the benefit of the Municipal Pension Plan (Plan) members.

Our objective

The Board's primary financial objective is to ensure the long-term sustainability of the Plan which, along with other factors, depends on earning sufficient investment returns over a longer time horizon.

Investment strategy

- The Board oversees the management of the Plan's assets through its investment management agent, the British Columbia Investment Management Corporation (bcIMC).
- The Board approves the long-term asset mix policy recognizing that diversification of investments is a key principle in managing risk.
- Investments are held in a range of asset types (e.g., bonds, mortgages, equities, real estate, infrastructure, and private placements), across industry sectors and global markets.
- The Board's investment strategy and overall framework for the management of the Plan's assets is outlined in the Statement of Investment Policies and Procedures.

The Plan Portfolio

Following through on the Board's decision in 2012 to reshape the Plan's long-term policy asset mix, the Plan's portfolio in 2013 continued to shift to a greater emphasis on real assets.

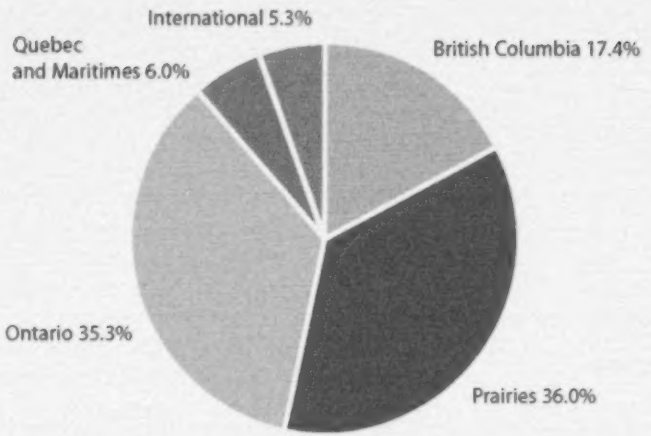
Real assets like land, buildings, regulated utilities and renewable resources are tangible, physical investments ideally suited for the long-term financial objectives of pension plans.

- These types of investments provide reliable cash flows, appreciate in value and protect against inflation and short–term volatility in public markets.
- These investments also allow for more direct asset management, and in so doing enable bcIMC to influence the strategic direction of these companies and create long-term value for the Plan.

The shift in the Plan's portfolio to real assets is substantial with about 10 per cent of the portfolio value or $3.5 billion being re-allocated to real assets. Given that global demand for these types of investments is very competitive and the number of investment opportunities is limited, it may take several years to fully implement the Plan's real asset transition.

Real Estate by Location

As at December 31, 2013



A focus on renewable resources

Recognizing the growing attractiveness of investing in renewable resources, in 2013 bcIMC introduced an explicit investment strategy of investing in renewable resources. The strategy, which is also in line with the Board's commitment to responsible investment, is currently focused on agricultural land and timberland.

Report on Investment Returns

The Plan's investments beat expectations in 2013.

The Municipal Pension Plan's (Plan) investment portfolio earned 15.1 per cent net of fees for 2013, exceeding the market benchmark of 12.8 per cent and adding over $4.7 billion in value to the Plan.

As a result, the market value of the investments increased from $31 billion to $36 billion.

The Plan's healthy investment results were achieved as global economic growth continued to improve throughout the year. Although the year started with Europe still in economic recession, stock market returns were strongly positive, primarily in the United States and Japan. As the year moved into its second half, capital markets reacted negatively to the political gridlock in the United States that led many to expect a slowdown in economic activity due to a government shutdown and indications by the U.S. Federal Reserve that it was going to begin tapering its monetary stimulus.

Fortunately, neither event proved to be as negative as originally feared and the stock markets ended the year even more strongly than they had begun.

Combined public equities achieved extraordinary returns of 24.5 per cent in 2013. Investments in Canadian real estate were a solid contributor to the Plan's returns earning 7.9 per cent while infrastructure and renewable resources and private equity investments earned 13.1 per cent and 24.4 per cent, respectively.

Only fixed income returns, due to rising long-term interest rates, were negative, losing 2.5 per cent in 2013.

Managing Costs

Managing investment costs is also important to the Board and bcIMC's fees continue to be significantly below those of other investment managers.

This is because bcIMC operates on a cost recovery, not-for-profit basis and its large asset size provides access to substantial economies of scale. By carefully managing the Plan's investment management expenses, a greater proportion of investment return will pass through to the Plan, contributing to its long-term sustainability.

Investing Responsibly

Responsible investing is an integral part of the investment beliefs shared by the Municipal Pension Board of Trustees and bcIMC.

We share the belief that companies that do a good job of managing environmental, social and governance (ESG) matters have less risk and perform better financially over the longer term.

We also recognize that ESG matters may differ across companies, regions, asset classes and over time. As a result, we are committed to responsible investing as a way of protecting the long-term value of the Plan's funds.

As an active and engaged investor on behalf of the Municipal Pension Board of Trustees, bcIMC expects the companies within its portfolio to apply good corporate governance practices, effectively manage their business relationships, and be responsible in their operations. It is through engagement and constructive dialogue that bcIMC raises the awareness of ESG factors and encourages companies to adopt good practices.

bcIMC also strengthens its voice by joining forces with like-minded organizations, such as the Canadian Coalition for Good Governance, the CDP (formerly the Carbon Disclosure Project), the Investor Network on Climate Risk, and investors to engage on ESG matters. bcIMC recognizes that the introduction of good practices and meaningful large-scale change takes time.

Learn more about bcIMC's responsible investment activities here: www.bcimc.com/ResponsibleInvesting

Global Real Estate, Infrastructure and Renewable Resource Investments

Infrastructure investments have characteristics similar to those of real estate, providing a steady income stream with opportunity for long-term capital appreciation.

Delta Toronto
Toronto

Source: GWLRA

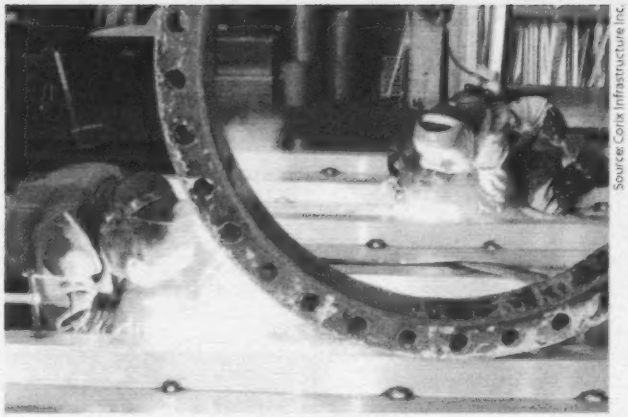
Delta Toronto is a 567 room (45-storey) "4 star" Delta flagship hotel. It is expected to be completed in 2014. It has been designed with the latest in sustainable features including heat recovery ventilation, low flow fixtures, smartcards controlling room lighting and air based on suite occupancy, green roofs throughout the building and an urban forest which will create a unique green space with forested walkways and gardens.

745 Thurlow
Vancouver

Source: Musson Cattell Mackey

In Vancouver, at **745 Thurlow**, a 400,000 sq.ft. (25-storey) office tower is under construction with a 2015 expected completion. This building is well located in Vancouver's financial district near popular Robson. It is designed to a LEED "Core and Shell" Gold standard which is a green building rating system to address sustainable design for new core and shell construction.

Corix Infrastructure Inc.
North America



Source: Corix Infrastructure Inc.

Corix is a leader in the implementation of sustainable water, wastewater and energy utility infrastructure solutions for small-to medium-sized communities across North America. Corix designs, supplies, builds, installs, finances and manages local utility infrastructure for municipal, institutional, military and private-sector customers. In 2012, Corix acquired Utilities Inc., a portfolio of small–to medium–sized water and wastewater utilities across 15 states. Corix operates $1.5 billion of utility assets and has more than 2,200 employees operating in six provinces and 31 states in Canada and the United States, respectively. bcIMC first invested in Corix in 2006 and has increased investment in the company since then.

Puget Energy
Washington State

Source: Puget Sound Energy

bcIMC has held an equity interest in **Puget Energy** since 2009 along with two other large Canadian institutional investors and an infrastructure fund investor. Puget Energy's core business is Puget Sound Energy (PSE), a regulated utility which provides electric and natural gas service to the Puget Sound region of Western Washington. As Washington State's largest utility, PSE serves more than 1.1 million electric and 760,000 natural gas customers in a service area spanning more than 6,000 square miles. PSE is also the Pacific Northwest's largest utility producer of renewable energy as an owner and operator of three wind farms.

Open Grid Europe GmbH

Europe

Source: Open Grid Europe GmbH

bcIMC and a group of long-term investors completed the €3.2 billion acquisition of **Open Grid Europe** (OGE) in 2012. As the operator of the longest regulated supra-regional natural gas transmission network in Germany, OGE is responsible for about 70 per cent of the country's total national shipping volume. With assets that include 27 compressor stations and 12,000 kilometers of pipeline, OGE serves 450 national and international customers. OGE transports natural gas from Russia and Northern/Western Europe to customers throughout Europe. It is a core asset and an integral part of the European economy. Maintaining high standards of environmental management, occupational health and safety, and technical safety are key priorities. bcIMC is OGE's largest shareholder.

Transelec S.A.

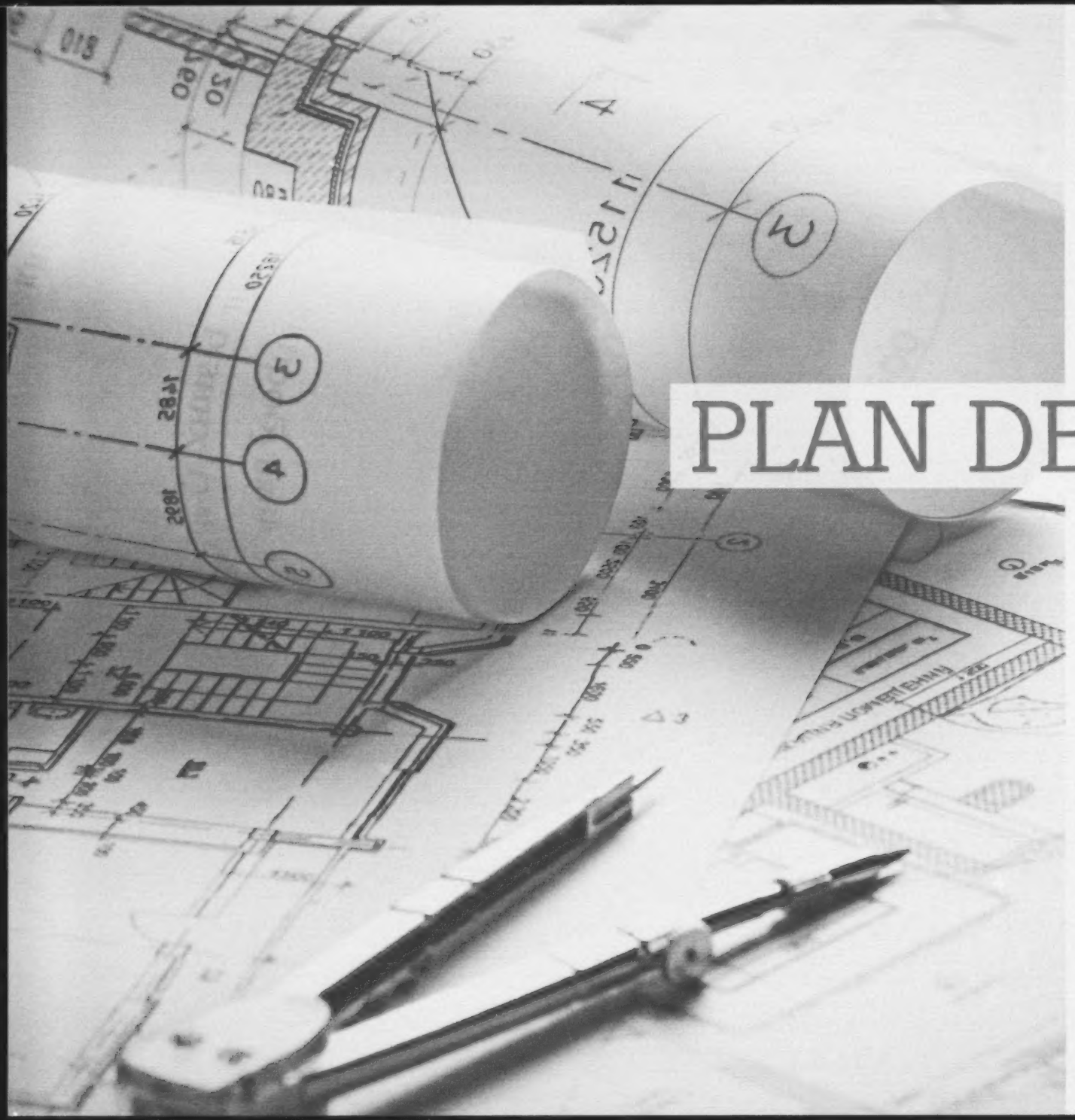
Chile

Source Transelec

Transelec S.A. is the largest electricity transmission company in Chile, operating a network that carries electricity to 98 per cent of the Chilean population. Transelec owns and operates the majority of the transmission lines and substations of the two largest interconnected systems in Chile, with a network covering a distance of approximately 9,270 kilometers of simple and double circuit transmission lines connected to 56 substations. bcIMC partnered with a group of long-term investors to acquire Transelec in 2006.

Market Outlook

- With the backdrop of increased economic and financial stability, global stock markets have experienced a strong start to 2014.
- In the United States, there are signs of improvement in housing, business investment and employment.
- With inflation below two per cent in Canada and the United States, and economies operating below capacity, the respective Central Banks are maintaining low interest rates in order to stimulate economic growth.
- The European Central Bank has also implemented policies to stimulate economic growth.
- Geopolitical risks are heightened as evidenced by recent events in Ukraine and Russia and a continued slowdown in China could dampen world economic growth.
- The Plan has a long-term investment horizon and is able to withstand short term market volatility. The Board and bcIMC remain focused on holding a well-diversified portfolio that follows a disciplined, long-term approach to managing the Plan's investments.



PLAN DETAILS

A Look at Our Membership

Plan Contributions

Plan Benefits

A Look at Our Membership

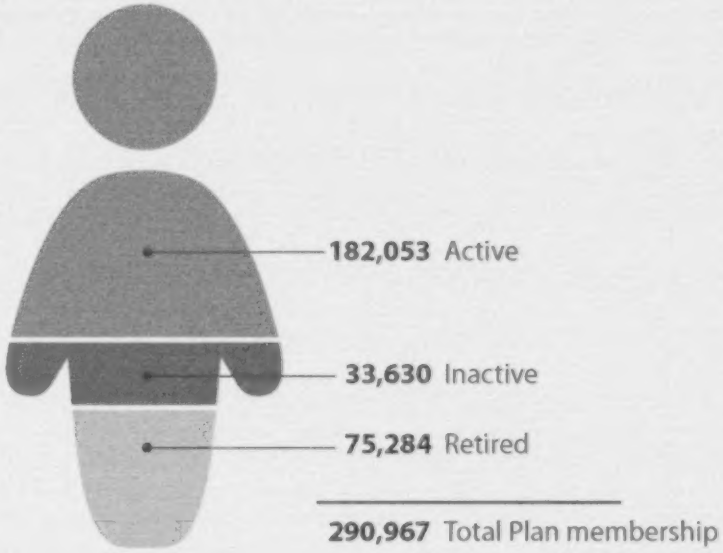
The Municipal Pension Plan had 182,053 active members who worked for 920 employers as at December 31, 2013. The total membership is 290,967.

There are three types of members in the Municipal Pension Plan:

Active—those who are currently contributing, are on a leave of absence or are receiving benefits from an approved long-term disability plan. There are 182,053 active plan members, a 1.9 per cent increase from 2012.

Inactive—those who have terminated their employment but have left their contributions in the Plan. They may or may not be eligible for a pension in the future. There are 33,630 inactive plan members, a 2.9 per cent increase from 2012.

Retired—those who are receiving a pension, including a survivor or disability pension. There are 75,284 retired plan members, a 6.0 per cent increase from 2012.



Plan Contributions

- Plan members and employers both pay contributions to fund future pension benefits.
- Contribution rates are set by the Board and are based on an independent valuation conducted by the Plan's actuary. The valuation occurs every three years. This ensures there is enough money in the pension fund to pay all members' basic pensions for many years into the future.
- If a contribution rate increase is required, the Joint Trust Agreement requires that all contribution rate increases be split equally between members and employers.
- An individual employer's blended rate can increase or decrease from year to year, depending on their employees' ages, genders and salaries.
- Membership in the Plan is divided into member groups, some with their own accrual rates and/or earliest retirement ages. Employers are assigned contribution rates annually based on their member group classification and the demographics of their respective employee populations.

Member groups and contribution rates

Group 1—males

Group 2—male and female police officers and firefighters, other than members of Group 5. These members have the same contribution rates as groups 1, 3 and 4 but have an earlier normal retirement age due to working in public safety.

Group 3—females whose last contribution to the pension fund was before April 1, 1971, and were neither a police officer or firefighter (now closed).

Group 4—females

At the end of 2013, members in Group 1, 2, 3 and 4 were contributing 7.8 per cent of salary up to and including the year's maximum pensionable earnings (YMPE) ($51,100 in 2013); and 9.3 per cent of salary above that amount. The YMPE is set annually by the federal government.

Group 5—male and female police officers and firefighters, other than members of Group 2. This group has a higher accrual rate (2.33 per cent) and so a higher contribution rate: 9.74 per cent of salary up to and including the YMPE and 11.24 per cent of salary above that amount. Participation in Group 5 is negotiated in these members' collective agreements.

PLAN DETAILS

Plan Benefits

Plan benefits are defined by the Plan Rules made under the authority of the Joint Trust Agreement.

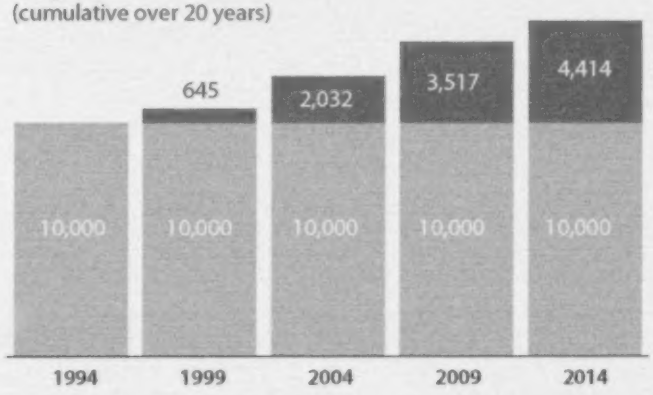
Basic Pension

The basic pension benefit is based on the years of pensionable service the member has accrued in the Plan and the member's highest average salary (highest 60 months, not necessarily the last 60 months).

The Plan provides entitlement to a pension benefit after two years of contributory service, as well as survivor and disability benefits.

Basic Pensions plus Cost-of-living Adjustments Granted

(cumulative over 20 years)



Cost-of-living Adjustments

Cost-of-living adjustments (COLA) are a non-guaranteed supplement to the basic lifetime pension. These adjustments cannot exceed the annual increase in the Consumer Price Index (CPI), nor can they exceed the amount of money in the Plan's Inflation Adjustment Account.

The Board of Trustees annually considers all relevant factors to determine if a cost-of-living adjustment will be granted.

On January 1, 2013, retired members received a COLA equal to the full increase in the CPI (measured from September to September of the preceding year), an increase of 1.2 per cent.

The Board monitors the Plan's ability to grant any future cost-of-living adjustments. Once granted, the cost-of-living adjustment becomes part of the basic lifetime pension.

Over time, cost-of-living adjustments can make up a significant portion of a basic lifetime pension.

2012 Actuarial Valuation Results

Under the rules of the provincial *Pension Benefits Standards Act* and the Municipal Plan's Joint Trust Agreement, the Board is required to hire an independent actuary—a financial professional—to conduct a review of the Plan's funded position every three years. The actuary completes an examination of the Plan's finances, membership, and the various economic and demographic factors that affect it. Specifically, the actuary reviews:

- assets, or money the Plan has or is expected to receive, and
- liabilities, or money the Plan is paying out or expects to pay out.

Once the review is complete, the actuary presents the findings to the Board in a valuation report. This tells the Board if there is a funding shortfall or surplus adequate to maintain existing benefits for the future.

Completed in 2013, the 2012 valuation report determined:

- There was an unfunded liability of $1,370 million.
- The Plan was 96.5 per cent funded.

To address the shortfall in funds, the Municipal Pension Board of Trustees approved an increase in the total contribution rate of 1.4 per cent of salary.

The rate increase will be shared equally by employers and members, and is effective July 1, 2014.

Actuarial Valuation Results*

($ Millions)

The actuarial valuation is conducted every three years as a way to assess the financial health of the plan to help ensure the plan remains financially sound.

December 31	2012	2009	2006
Total Assets	38,048	31,798	25,211
Total Liabilities	39,418	33,526	25,910
Unfunded Liability	(1,370)	(1,728)	(699)
Funded Ratio (Assets/Liabilities)	0.97	0.95	0.97

* Using the entry age normal contribution method.

PLAN RULES AND POLICY CHANGES

Nominating Beneficiaries

Separate Pension Benefits for Police and Firefighters

Contribution Rates Effective July 1, 2014

Plan Rules and Policy Changes

Changes in nominating a beneficiary

Effective March 31, 2014

The *Wills, Estates and Succession Act* sets out new rules for nominating beneficiaries for pension purposes. These changes expand the number of options available to members.

Members may be able to nominate multiple and/or alternate beneficiaries, allocate different shares of their pension to multiple beneficiaries, nominate organizations (such as a society or charity), and more.

If a member has a spouse, the spouse is automatically the member's beneficiary unless that person has waived his or her rights to any pension benefits.

Police officers and firefighters: separate pension benefits

Effective January 1, 2014

In the Municipal Pension Plan, there are different benefit groups based on whether someone works in a public safety occupation (police officer or firefighter) or non-public safety occupation. Some members have earned service in both a public safety and non-public safety occupation.

Changes to the Plan Rules ensure that the pension benefits for the public safety occupations and for the non-public safety occupations are determined according to their separate provisions.

The Plan Rule changes only affect members who have service in public safety occupations and service in non-public safety occupations.

Contribution rate increase for members and employers

Effective July 1, 2014

The Plan underwent an actuarial valuation as of December 31, 2012. The results of the valuation include changes to contribution rates. All members and employers will see a contribution rate increase of about 0.7 per cent of salary.

The contribution rates are outlined in the Plan Rules, which will be updated effective July 1, 2014, to reflect the new rates.

Left to Right: Philip Twyford, Hilary Woodward, Steven Polak, Donisa Bernardo, Hilary Brown, Dennis Blatchford, Frank Leonard, Barb Sinclair, Gary MacIsaac, Brian Schramm, Richard Taylor, Diana Lokken, Todd Sweet, Jane Lindstrom, Ron Amos, Kelly Knox, Lucas Corwin, Patti Price, Gary Yee, Brian Northam, Lyn Kocher, Angie Sorrell, Robert Hobson, Harold Heyming, Debra Ducharme, Rebecca Maurer, John Johnston.

Regrets: Brendan Dick, Bella Brown, Tony Collins, Trevor Davies, Mary Procter.

Photo: 2014 Board of Trustees, June 24, 2014

WHO WE ARE

Your Plan Trustees

Trustee Remuneration

Agents and Service Providers

Your 2013 Plan Trustees

Chair and Vice Chair

Brendan Dick, Chair

Brendan Dick is the director of pensions and benefits for the Hospital Employees' Union, which appointed him to the Board in 2003.

He has sat on the Interplan Audit Committee for more than 10 years. He is Co-Chair of the Canadian Blood Services (CBS) defined benefit pension plan and has been a CBS trustee since 2005. Brendan is also a past president of the Hospital Employees' Staff Union.

Brendan has completed the Advanced Trustee Management Standards Program and the Responsible Trustee Program through the Sauder School of Business. Since 2007, Brendan has served four terms as Chair and three terms as Vice Chair of the Board.

Richard Taylor, Vice Chair

Richard Taylor is a founding Trustee and was appointed by the Union of British Columbia Municipalities (UBCM) in 2001.

He came to the Board through his position as executive director of UBCM, a position he held from 1985 to 2007. Since 2009, Richard has served two terms as Chair and three terms as Vice Chair of the Municipal Pension Board of Trustees. He has been directly involved in pension matters since 1988, including the original UBCM Advisory Committee, the Superannuation Commission Advisory Committee of the 1990s and as UBCM's representative during the Joint Trust Agreement negotiation. He is also a director and past chair of both Pacific Blue Cross and the BC Pension Corporation Board.

Richard holds a master of science in community and regional planning. He has held public service roles at the local government level for more than 30 years.

Primary Trustees

Ken Bayne

Ken Bayne recently retired from the City of Vancouver after 28 years in senior roles in the Finance department and four years as general manager, Business Planning and Services with responsibility for Real Estate, Facilities, the 311 Call Centre and for the city's business planning.

Ken has been active in the Government Finance Officers Association of BC, including as a member of the organization's pension committee. Ken was appointed to the Board of Trustees in 2001 by the provincial government and the Union of British Columbia Municipalities and holds a position reserved for non-union members of the Municipal Pension Plan. Between 2003 and 2008, Ken served three terms as Chair and two as Vice Chair of the Board. He holds a bachelor of arts in political science and a master of science in business administration from the University of British Columbia.

Dennis Blatchford

Dennis Blatchford is the pensions and benefits advocate for the Health Sciences Association (HSA) of BC. Prior to joining HSA in 1997, Dennis was a director for the BC Federation of Labour, working in the areas of health labour relations, human rights and disability advocacy.

Dennis was appointed by HSA to the Board of Trustees in 2001. Dennis also served on the Canadian Blood Services defined benefit pension plan between 1998 and 2004. In 2012, Dennis was appointed by the Municipal Pension Plan to the British Columbia Investment Management Corporation Board of Directors.

Primary Trustees

Lucas Corwin

Lucas Corwin is an executive with the Province of British Columbia, where he has held a number of senior roles within government. He is currently the Executive Director of the Workers' Advisers Office, a branch of Government that assists injured workers in seeking benefits under the *Workers' Compensation Act*.

Lucas first became involved in pension issues as a labour and employment lawyer at Fasken Martineau DuMoulin in Vancouver. On joining the provincial government in 2002, Lucas was appointed to the Teachers' Pension Board of Trustees, moving to the Municipal Pension Board of Trustees in the fall of 2008.

Debra Ducharme

Deb Ducharme is a registered nurse and a long-time activist with the BC Nurses' Union (BCNU). She has been on the BCNU Provincial Council for 11 years, originally as Regional Chair for the Thompson North Okanagan and currently as the Provincial Executive Councillor—Pensions.

Deb has completed the Advanced Trustee Management Standards program in pension fund leadership. She was appointed to the Board by the BCNU in September 2010.

Primary Trustees

Hugh Finlayson

Hugh Finlayson is a certified human resources professional and the chief executive officer (CEO) of the BC Public School Employers' Association (BCPSEA).

In addition to his responsibilities with BCPSEA, Hugh led two other multi-employer associations—the Post Secondary Employers' Association and the Community Social Services Employers' Association (CSSEA), through governance and organizational changes as interim CEO. He was appointed to the CSSEA Board of Directors following its reorganization. Hugh has been a member of the Board of Trustees since 2006 and is chair of the British Columbia Institute of Technology's Human Resources Management Program Advisory Committee. He is past president of the BC Human Resource Management Association.

Harold Heyming

Harold Heyming served as the vice chair of the Interior Savings Credit Union, a trustee of the BC Central Pension and Benefit Trust, vice-president and secretary-treasurer of the BC Professional Fire Fighters Association (BCPFFA) and secretary-treasurer of the BC Professional Fire Fighters Burn Fund.

Harold was appointed to the Board of Trustees in 2003 by the BCPFFA and the BC Police Association. He was a 35-year veteran platoon captain for the Kelowna Fire Department before retiring in 2011.

Primary Trustees

Robert Hobson

Robert Hobson served as a director of the Union of British Columbia Municipalities (UBCM) for 13 years and as president in 2008/09.

He has been a member of Kelowna City Council for 26 years and chair of the Regional District of Central Okanagan for the past 21 years. He is chair of the Central Okanagan Regional Hospital District and a trustee of the Municipal Finance Authority. Robert is a professional planner and administrator who was appointed to the Board of Trustees in 2006 by UBCM. He holds a Masters of Planning and a Masters in Public Administration.

Gary Johnson

Gary Johnson was appointed to the Board of Trustees in 2001 by the Municipal Employees Pension Committee.

He retired in 2009 from his position as a national representative for the Canadian Union of Public Employees (CUPE). Gary has served as chair and vice-chair of the Pension Corporation Board of Directors, the CUPE EmployeesPension Plan and was a trustee of the Public Education Benefits Trust. He has extensive training in pension and benefit administration.

Primary Trustees

Lyn Kocher

Lyn Kocher was appointed as a member of the Municipal Pension Advisory Board in 1999 and was part of the team that negotiated joint trusteeship of the Plan.

Lyn has continued to serve on the Board of Trustees since joint trusteeship in 2001 on behalf of the Health Employers Association of BC (HEABC). Lyn is the chief financial officer and executive director of Corporate Services for HEABC. Lyn has completed the Advanced Trustee Management Standards Program in pension fund leadership and is also a certified general accountant.

Frank Leonard

Frank Leonard is currently chair of the Municipal Finance Authority and has served as president of the Union of British Columbia Municipalities (UBCM).

He has been the mayor of Saanich since 1996 and chairs the Saanich Police Board, serves on the Victoria Regional Transit Commission and has chaired the Capital Regional District Board, the Hospital Board and the Housing Corporation Board. Frank was appointed to the Board of Trustees in 2002 by UBCM, and was on the board of directors for the BC Investment Management Corporation. Frank has a bachelor of arts (honours) and a master of arts from the University of Victoria.

Primary Trustees

Brian Northam

Brian is a founding trustee who represented the Council of Joint Unions and Organizations during the Joint Trust Agreement negotiations.

He has served on the Municipal Pension Plan's Communications & Education Committee and the Interplan Education Committee for more than 10 years. Brian completed trustee education courses through UBC's Sauder School of Business, Humber College, and the International Foundation Canadian Investment Institute's Advanced Trustee Management Standards Program. He is a member of the Association of Canadian Pension Management.

Brian has served on the executive of the Greater Vancouver Regional District Employees' Union (GVRDEU) for more than 20 years, and is a negotiator on the GVRDEU collective bargaining team. He is responsible for workers' compensation claims appeals, is the union's Occupational Health & Safety Officer and handles grievances and disability issues.

Brian participated on the advisory committee of the Capilano College Labour Studies Program. He is currently a member and on the Board of Directors of the Maple Ridge Concert Band. He plays in the Delta Police Pipes & Drums. Brian works as an electrician with the Metro Vancouver Utilities Division.

Steven Polak

Steven Polak has been a member of the Municipal Pension Advisory Committee since 1980, and helped negotiate the Joint Trust Agreement.

He was one of the founding members of the Municipal Pension Retirees' Association, of which he is also president. He formerly served as a Trustee appointed by the Hospital Employees Union (HEU) before his retirement in 2002, and now by the Municipal Employees Pension Committee (MEPC) in a position reserved for retired members. Steven also chaired the MEPC from 1982 until 2002, and served as a director and provincial executive of the HEU. He was also one of the founding directors of the BC Pension Corporation, and has done extensive pension administration and trustee training.

Primary Trustees

Patti Price

Patti Price was appointed to the Board of Trustees in 2006 by the Canadian Union of Public Employees, British Columbia (CUPE BC).

Patti was a member of the CUPE BC Pensions Committee before joining the Board. She is a human resources staffing and benefits administrator with the Delta Board of Education, and is responsible for administration for about 900 CUPE support staff workers in her school district.

Mary Procter

Mary Procter is the Vice President of Finance & Planning at Providence Health Care and brings over 25 years of health care experience to her role as Trustee.

Mary has a bachelor of commerce degree, a masters degree in Leadership and is a certified management accountant. She was appointed to the Board in October of 2009 by the Health Employers Association of BC and is committed to ensuring the long-term sustainability of the Plan. Mary has also completed the Advanced Trustee Management Standards Program.

Primary Trustees

Angie Sorrell

Angie Sorrell is the Executive Director Pensions at the Public Sector Employers' Council Secretariat, involved with the four public sector pension plans, and the Canada Pension Plan.

Angie was a senior advisor to the Provincial Treasury Board prior to her current position. She holds a masters degree, has completed the Advanced Trustee Management Standards Program, and qualified for the Retirement Plans Associate certification through the International Foundation of Employee Benefit Plans. Her training and work has revolved around budget, fiscal and economic analysis, and is now focused on pension issues. Angie was appointed to the Board of Trustees in February 2008 by the provincial government and has been the Chair of the Governance Committee since 2011.

Alternate Trustees

Donisa Bernardo

Donisa Bernardo worked as a Pharmacy Technician at Royal Inland Hospital from 1984 until she was elected as Hospital Employee Union's (HEU) Financial Secretary in 2006, a position she currently holds. She became a union activist in 1989.

Donisa was first elected to HEU's Provincial Executive in 1998 as Regional Vice-President (Okanagan) and served several terms as Senior Trustee. In 2001, the Municipal Employees Pension Committee appointed her to the Board of Trustees as an Alternate Trustee. Donisa has completed the Foundations of Trust Management Standards program.

Bella Brown

Bella Brown is a former pediatric nurse with more than 25 years' experience. A labour relations officer with British Columbia Nurses' Union (BCNU) since 2006, Bella advocates for pension compensation when resolving collective agreement issues that have impacted members' pension benefits.

Bella holds an executive master in business administration in healthcare from the Sauder School of Business at the University of British Columbia. The BCNU appointed Bella to the Board as an Alternate Trustee in 2011.

Alternate Trustees

Hilary Brown

Hilary Brown is the Executive Director—Finance and Strategic Planning for the British Columbia Public School Employers' Association (BCPSEA).

She was appointed to the Municipal Pension Plan Board of Trustees effective January 1, 2012, by BCPSEA. Hilary has been with BCPSEA for over six years. In addition, Hilary was the Assistant Secretary-Treasurer for School District 63 (Saanich), Director of Funding and French Programs for the provincial Ministry of Education and was an accounting term professor at Camosun College. She is also a trustee for the Public Education Benefits Trust.

Tony Collins

Tony Collins is Vice President responsible for the team that provides knowledge management, research, non-contract compensation and education services to Health Employers Association of BC (HEABC) members.

Tony has over 20 years of experience in human resource management as well as representing health sector employers in collective bargaining and third party proceedings. He has acted as the lead negotiator for the Facilities and Community collective agreements as well as various agreements with the BC Medical Association. He also represented the BC Government in negotiations with the Facilities Bargaining Association following the Supreme Court of Canada decision regarding the Health and Social Services Delivery Improvement Act. Prior to joining HEABC, he was responsible for labour relations and occupational health and safety at a BC-based high tech manufacturing company. Tony has had numerous speaking engagements on labour relations and human resources. He is a member of the BC chapter of the Human Resources Management Association (BCHRMA), the BC Industrial Relations Association (BCIRA), and the Health Care Leaders' Association of BC (BCHCLA).

Alternate Trustees

Judi Filion

Judi Filion was the treasurer of the B.C. Government and Service Employees' Union from June 2005 to June 2011. She was appointed an Alternate Trustee on January 1, 2011.

Her appointment to the Board is through the Council of Joint Organizations and Unions. Judi has completed courses with the International Foundation of Employee Benefit Plans and the Advanced Trustee Management Standards Program.

John Johnston

John Johnston is the Vice President of People & Clinical Services with the Interior Health Authority. He was appointed as an Alternate Trustee in January 2013 by the Health Employers Association of BC (HEABC).

John has spent most of the past 30 years in the British Columbia public sector in executive HR roles, previously serving with organizations such as the Richmond Hospital, Children and Women's Hospital of British Columbia and the Vancouver Island Health Authority. Mr. Johnston was also one of the founding executives who established the Canadian Blood Services following the Krever Commission of Inquiry.

John holds an undergraduate degree in the Social Sciences, a graduate degree in business administration and a graduate certificate in project management. He was formerly a Trustee on the Board of the Municipal Pension Plan of British Columbia and a Director on the BC Investment Management Corporation Board.

Alternate Trustees

Kelly Knox

Kelly Knox is the senior trustee-elect for the Hospital Employees' Union (HEU), and is currently working as a ward aide in the cardiac unit at St. Paul's Hospital. Kelly was first appointed to the Board of Trustees by the HEU in 2003.

Diana Lokken

Diana Lokken is a Certified Management Accountant (CPA, CMA), has an Associate of Arts Diploma in Business Administration and a Senior Certificate in Municipal Administration.

She has been a member/chair of numerous boards, the Government Finance Officer Association (GFOA) of BC/Local Government Management Association (LGMA) of BC Joint Pension Committee, and is currently the Board Chair of the GFOA of BC.

Diana is the General Manager, Finance & Technology for the Capital Regional District. Her areas of responsibility include finance, payroll, information technology, facilities, real estate, risk management, and arts development. From 2006 to 2009, Diana led an international capacity building project in Ghana, through the Federation of Canadian Municipalities (FCM) Municipal Partnership Program. Diana was appointed to the Municipal Pension Board of Trustees by the Plan Employer Partners (Government, HEABC, and UBCM) in October 2013.

Alternate Trustees

Rebecca Maurer

Rebecca Maurer was appointed as an Alternate Trustee in October 2011 by the Health Sciences Association of British Columbia (HSABC) where she is Director of Human Resources and Operations.

Prior to holding that position Rebecca was HSABC's director of Strategic Communications and Member Development. Rebecca brings significant governance experience to the Board of Trustees. She has been a member of various boards, including those of Langara College, the Canadian Breast Cancer Foundation—British Columbia/Yukon Region, Planned Parenthood Association of British Columbia and Partners in the Horn of Africa. Rebecca currently serves on the board of the New Westminster Police Department.

Barb Sinclair

Barb Sinclair was recommended to the Municipal Employees Pension Committee (MEPC) by the Municipal Pension Retirees' Association. Barb was appointed to the Board by the MEPC in January 2012.

Barb, who retired in March 2007, worked for 28 years in finance, including seven years as the supervisor of Utilities with the District of Saanich.

While working with Saanich, Barb gained valuable experience in human resources, including participating in hiring, interviews, in-house training and discipline. Barb also spearheaded negotiated contracts for Saanich.

Barb has taken courses at Camosun College and the University of Victoria in the areas of supervision and business administration as well as sessions and seminars hosted by the Canadian Union of Public Employees on the topics of union policies and procedures.

Alternate Trustees

Todd Sweet

Todd Sweet has served on the executive board of the New Westminster Police Officers' Association for 18 years, including two years as treasurer and 12 as president. Todd has also served for five years as a trustee with the BC Police Association (BCPA).

In those capacities, Todd has been involved in collective bargaining, grievances and lobbying the federal and provincial governments for changes to legislation and public safety issues. He has been a police officer for 24 years. Todd was appointed to the Board of Trustees in 2005 by the BCPA.

Philip Twyford

Philip Twyford is the Executive Director, IM/IT Capital Investment Branch in the Office of the CIO. He was appointed an Alternate Trustee by the provincial government June 8, 2012. Philip is a professional accountant.

Alternate Trustees

Hilary Woodward

Hilary Woodward is the executive financial officer for the Legislative Assembly of British Columbia. She is also a chartered accountant. Hilary was appointed as an Alternate Trustee to the Board of Trustees in 2011 by the provincial government.

Trustee Remuneration

Name	Meetings Attended/Possible[1]	Additional Meetings Attended	Total Remuneration Paid[2]	Remuneration by Payee	Remuneration Payee
Brendan Dick Chair[3]	27/29	2	$30,070.00	$6,760.00 $23,310.00	Brendan Dick Hospital Employees' Union
Richard Taylor Vice Chair[3]	27/30	4	$24,148.00	$24,148.00	Richard Taylor
Allen, Mark[4] *Term ended December 10, 2012*	1/1		$334.00	$334.00	Mark Allen
Bayne, Ken *Term ended December 31, 2013*	23/24	1	$12,421.50	$12,421.50	Ken Bayne
Bell, Jeremy *Term ended July 16, 2013*	5/5		$1,768.50	$1,768.50	Jeremy Bell
Bernardo, Donisa	8/8		$9,126.00	$9,126.00	Hospital Employees' Union
Blatchford, Dennis	11/18	5	$5,239.00	$507.00 $4,732.00	Dennis Blatchford Health Sciences Association of BC
Brown, Bella	12/17		$6,253.00	$2,704.00 $3,549.00	Bella Brown BC Nurses' Union
Brown, Hilary	16/17		$7,770.00	$7,770.00	BC Public School Employers' Association
Collins, Tony *Term began June 4, 2013*	2/6		$1,859.00	$1,859.00	Health Employers Association of BC
Corwin, Lucas	5/11		$2,366.00	$1,352.00 $1,014.00	Public Sector Employers' Council Secretariat Ministry of Finance
Ducharme, Deb	17/21		$10,216.50	$10,216.50	BC Nurses' Union
Filion, Judi *Term ended December 31, 2013*	5/14		$2,704.00	$2,704.00	Judi Filion
Finlayson, Hugh	16/18		$4,732.00	$4,732.00	BC Public School Employers' Association
Heyming, Harold	25/27		$15,294.50	$15,294.50	BC Professional Fire Fighters Association

Continued on next page...

Trustee Remuneration Continued...

Name	Meetings Attended/Possible[1]	Additional Meetings Attended	Total Remuneration Paid[2]	Remuneration by Payee	Remuneration Payee
Hobson, Robert	23/26		$13,846.00	$13,846.00	Robert Hobson
Johnson, Gary *Term ended December 31, 2013*	18/18	9	$15,196.00	$15,196.00	Gary Johnson
Johnston, John	13/15	1	$7,858.50	$2,281.50 $5,577.00	John Johnston Interior Health Authority
Knox, Kelly	12/15		$3,380.00	$338.00 $3,042.00	Kelly Knox Hospital Employees' Union
Kocher, Lyn	14/18	3	$10,587.00	$10,587.00	Health Employers Association of BC
Leonard, Frank	15/21		$7,774.00	$7,774.00	Frank Leonard
Lokken, Diana *Term began October 7, 2013*	3/4	2	$1,352.00	$1,352.00	Diana Lokken
Maurer, Rebecca	19/22	4	$6,422.00	$6,422.00	Health Sciences Association of BC
Northam, Brian	18/20		$13,469.44	$13,469.44	Brian Northam
Polak, Steven	18/19		$15,200.00	$15,200.00	Steven Polak
Price, Patti	19/22		$11,323.00	$3,211.00 $8,112.00	Patti Price CUPE BC Division
Procter, Mary	13/15		$7,943.00	$7,943.00	Providence Health Care
Sinclair, Barbara	4/8	1	$3,380.00	$3,380.00	Barbara Sinclair
Sorrell, Angie	24/26	3	$7,603.00	$7,603.00	Public Sector Employers' Council Secretariat
Sweet, Todd	22/23		$17,491.50	$17,491.50	Todd Sweet
Twyford, Philip	11/19		$2,873.00	$2,873.00	Minister of Finance
Wiens, Colleen *Term ended July 29, 2013*	7/9		$3,887.00	$1,183.00 $2,704.00	Wiens, Colleen CUPE BC
Woodward, Hilary	8/13		$2,535.00	$338.00 $2,197.00	Ministry of Health Legislative Assembly of British Columbia

Average meeting attendance 80 per cent

1 Comparison of the number of meetings attended vs. the number of meetings scheduled. The number of meetings scheduled varies by Trustee due to Committee membership.
2 Total Remuneration Paid includes attendance at Board & Committee meetings, educational events, pension conferences, and preparation and travel time for these meeting/events.
3 Includes Board Chair annual stipend of $6,760 and Vice Chair annual stipend of $5,070.
4 December 2012 meeting paid in 2013.

Agents and Service Providers

The British Columbia Investment Management Corporation is one of Canada's largest investment managers. It administers $107 billion across all major asset classes, with global exposure.

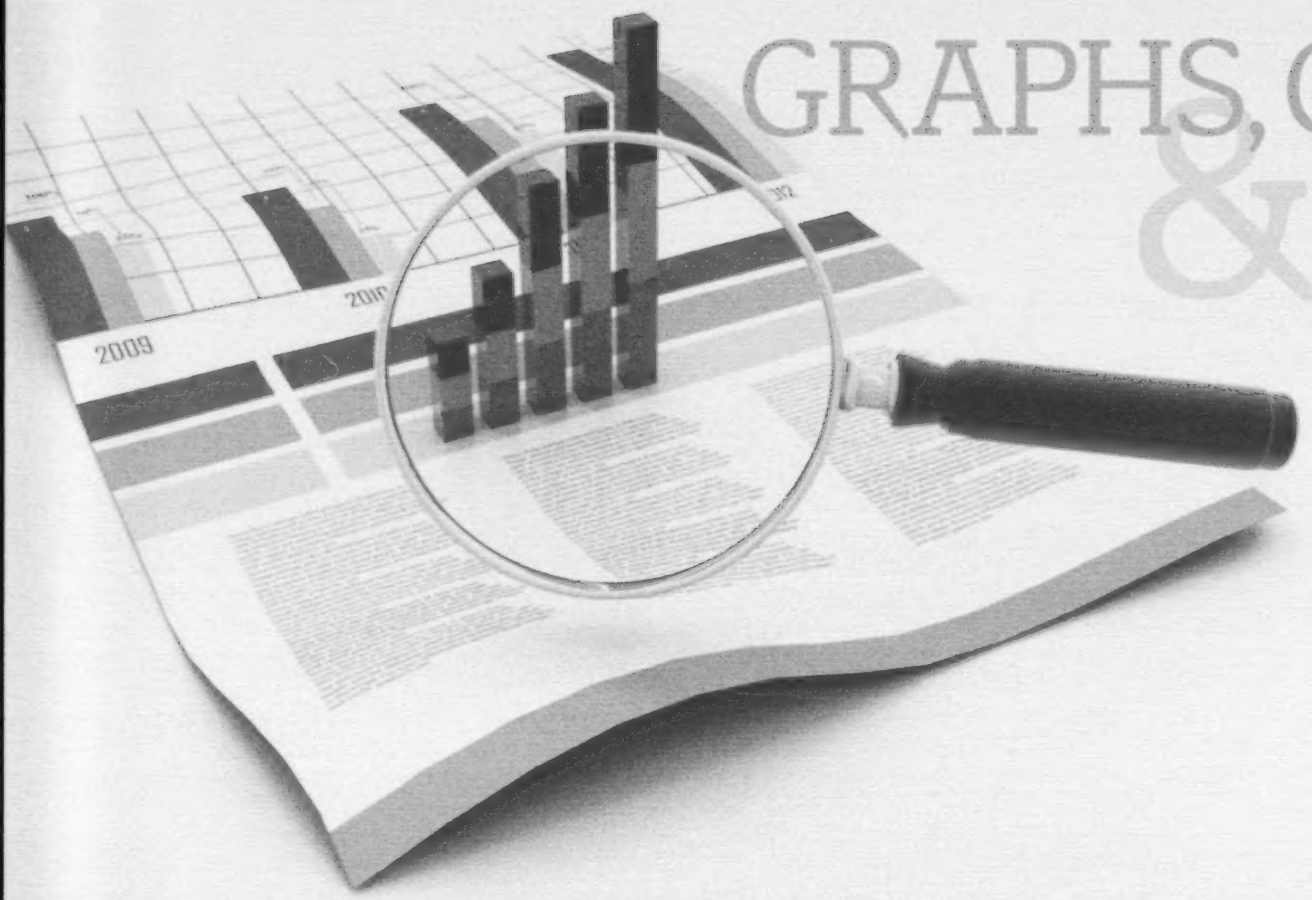
The British Columbia Pension Corporation is among Canada's largest pension administrators, annually collecting more than $2.8 billion in contributions and paying more than $3.0 billion in benefits. It provides plan information to members and employers, manages contributions and member records, pays pension benefits and provides policy, financial and communications services to the Board.

Eckler Ltd. serves as the actuary for the Plan. The actuary conducts an actuarial valuation on the Plan's funding every three years and supports the Board of Trustees in their decision-making as appropriate. The next valuation will be presented to the Board in the fall of 2016.

Pacific Blue Cross administers retired plan members' access to group extended health and dental benefit plans available to retired plan members.

PriceWaterhouseCoopers LLP provides external audit services for the Plan.

Shawn Hatch, Legal Advisor, is the legal counsel for the Plan.



GRAPHS, CHARTS & TABLES

Investment Highlights

Membership Information

Investment Highlights

Investment Asset Mix and Performance

As at December 31, 2013

Asset Class	Target Asset Approved Range (%)	Target Asset Mix Market Value (%)	Actual Asset Mix Market Value (%)	Rate of Return (%)	Performance Benchmark (%)
Short Term	0–10	2.0	3.6	1.6	1.0
Mortgages	0–11	6.0	2.8	4.7	2.7
Nominal Bonds	5–20	12.0	11.9	(1.2)	(1.2)
Real Return Bonds	0–10	5.0	3.2	(13.6)	(13.1)
Fixed income	**15–35**	**25.0**	**21.5**	**(2.5)**	**(2.6)**
Canadian Equities	6–20	13.0	12.9	14.9	13.0
Global Developed Equities	10–35	17.0	32.4	34.0	36.3
Emerging Markets	3–15	10.0	7.6	2.0	3.9
Equity	**30–60**	**40.0**	**52.9**	**24.5**	**24.0**
Real Estate	**10–25**	**18.0**	**15.1**	**7.9**	**5.2**
Private Placements	**1–13**	**7.0**	**4.8**	**24.4***	**32.7***
Infrastructure and Renewable Resources	**2–16**	**10.0**	**5.7**	**13.1***	**8.0***
Total Asset Mix		**100.0**	**100.0**	**15.1**	**12.8**

* The illiquid assets are only valued once per year as of December 31. The rates of return for private placements and infrastructure and renewable resources are preliminary and reflect December 31, 2013 internal rates of return, which is the industry standard for calculating returns for illiquid assets.

Actuarial Valuation Results*

($ Millions)

The actuarial valuation is conducted every three years as a way to assess the financial health of the plan to help ensure the plan remains financially sound.

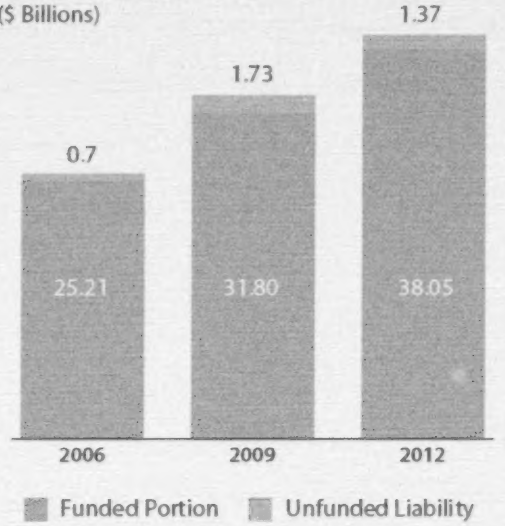
December 31	2012	2009	2006
Total Assets	38,048	31,798	25,211
Total Liabilities	39,418	33,526	25,910
Unfunded Liability	(1,370)	(1,728)	(699)
Funded Ratio (Assets/Liabilities)	0.97	0.95	0.97

* Using the entry age normal contribution method.

Funding of Total Basic Benefit Liability*

As at December 31

($ Billions)



* Using the entry age normal contribution method.

Five-Year Financial Summary

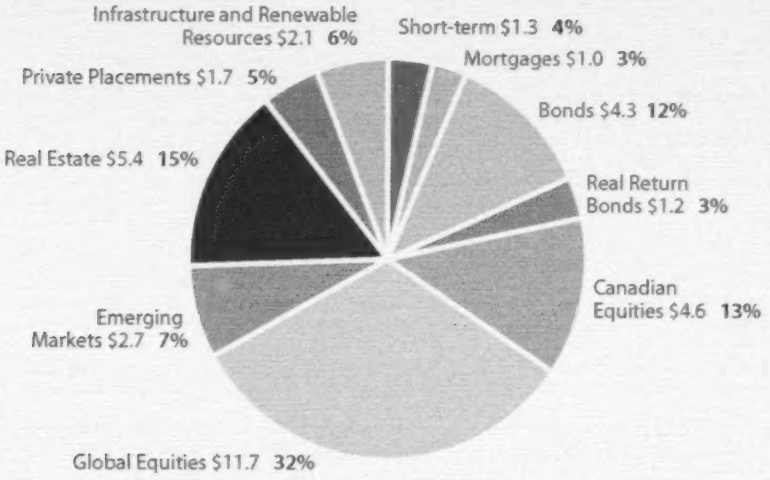
For the year ended December 31
($ Millions)

	2013	2012	2011	2010	2009
Increase (Decrease) in Assets					
Investment Income (Loss)	$ 4,737	$ 2,945	$ 924	$ 2,425	$ 2,396
Contributions					
Members	739	709	652	592	568
Employers	851	812	755	687	656
Transfers from Other Plans	14	19	22	14	20
Total Increase (Decrease) in Assets	6,341	4,485	2,353	3,718	3,640
Decrease in Assets					
Benefit Payments	1,380	1,299	1,187	1,057	1,000
Transfers to Other Plans	18	14	19	17	17
Retired Member Group Benefits	68	65	59	57	54
Investment and Administration Costs*	88	82	68	60	52
Total Decrease in Assets	1,554	1,460	1,333	1,191	1,123
Increase (Decrease) in Net Assets	4,787	3,025	1,020	2,527	2,517
Net Assets Available for Benefits at Beginning of Year	31,062	28,037	27,017	24,490	21,973
Net Assets Available for Benefits at End of Year	$35,849	$31,062	$28,037	$27,017	$24,490
Investment and Administration Costs as a Percentage of Net Assets* (%)					
Investment Management*	0.21	0.22	0.20	0.17	0.16
Benefits Administration	0.10	0.11	0.09	0.09	0.10

* External investment management costs incurred in the investment pooled funds by wholly owned corporations of $20.2 million (2012—$21.8 million; 2011—$14.0 million; 2010—$12.0 million; 2009—$10.3 million) reduce investment income and are not included in investment and administration costs. They are included in investment management costs as a percentage of net assets.

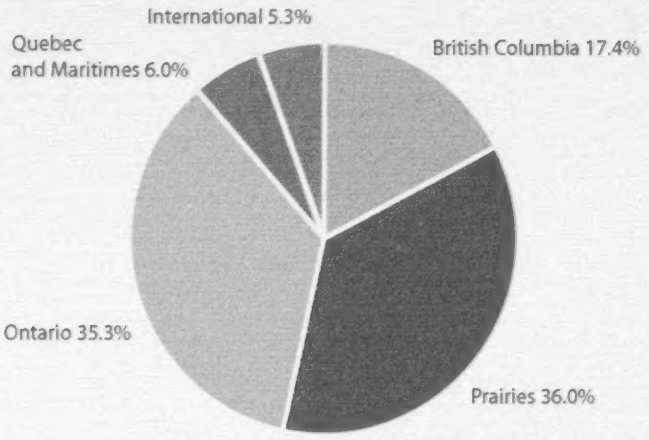
Investment Holdings

As at December 31, 2013
($ Billions)


Infrastructure and Renewable Resources $2.1 6%
Short-term $1.3 4%
Mortgages $1.0 3%
Private Placements $1.7 5%
Bonds $4.3 12%
Real Estate $5.4 15%
Real Return Bonds $1.2 3%
Canadian Equities $4.6 13%
Emerging Markets $2.7 7%
Global Equities $11.7 32%

Real Estate by Location

As at December 31, 2013



Market Value Rates of Return

Year ended December 31

	Rate of Return* (%)	Performance Benchmark (%)	
Annual Rates*			
2013	**15.1**	**12.8**	
2012	10.3	8.2	
2011	3.3	1.6	
2010	9.8	8.8	
2009	10.8	13.3	
Five-Year Annualized Rates			
2013	**9.8**	**8.8**	
2012	4.0	4.0	
Ten-Year Annualized Rates			
2013	**7.5**	**6.8**	
2012	7.1	6.8	
2013 Annual Rate by Investment Category			
Short term	1.6	1.0	DEX T-Bill 91 day
Money Market	1.2	1.0	DEX T-Bill 91 day
Bonds	1.6	1.4	DEX ShortTerm Government Bond Index
Nominal bonds	(1.2)	(1.2)	DEX Universe Bond Index
Universe bonds	(1.2)	(1.2)	DEX Universe Bond Index
Global Government Bonds	(1.2)	0.4	JP Morgan Hedged
Real return bonds	(13.6)	(13.1)	DEX Real Return Bond Overall Index
Mortgages	4.7	2.7	Combined Benchmark
Fixed-term	4.1	2.8	DEX ST Bonds + 1%
Construction	5.1	2.2	DEX 1 Year T-Bills + 1%
Mezzanine	9.6	3.8	DEX 1 Year T-Bills + 2.5%
Canadian equities	14.9	13.0	S&P/TSX Composite index
Active	18.1	13.0	S&P/TSX Capped Equity
Active Small Cap	27.0	7.6	S&P/TSX Small Cap
Indexed	13.3	13.0	S&P/TSX Equity
Enhanced	15.3	13.0	S&P/TSX Capped Equity
Global Developed Equities	34.0	36.3	MSCI World ex-Canada Net
Global	34.1	36.3	MSCI World ex-Canada Net
US Active	47.4	42.0	Russell 1000
US Small Cap	57.5	48.1	Russell 2000
US Indexed	41.2	41.3	S&P 500 Total Return Index
US Social Indexed	45.1	45.3	MSCI KLD 400 Social Index
US Enhanced	42.1	41.3	Russell 1000/S&P 500
Asian Indexed	26.1	26.2	MSCI Pacific Net
Asian Active	6.7	10.3	MSCI Asia Pacific ex-Japan Net
Europe	36.4	33.6	MSCI Europe Net Index
Emerging Markets	2.0	3.9	MSCI Emerging Markets Net Index
Domestic Real Estate	7.9	5.2	CPI + 4%
Private Placements**	24.4	32.7	MSCI All Country World Net Index plus 2%
Infrastructure and Renewable Resources**	13.1	8.0	Nominal 8.0%

Performance Benchmark Indices Abbreviations

CPI	=	Consumer Price Index
DEX	=	PC-Bonds Domestic Exchange Index
MSCI	=	Morgan Stanley Capital International
S&P	=	Standard & Poor's
S&P/TSX	=	Standard & Poor's/ Toronto Stock Exchange Equity or Capped Equity

(Source of annual rates: British Columbia Investment Management Corporation)

* Beginning January 1, 2010 bcIMC merged the inflation adjustment portfolio and the basic portfolio into one. All returns prior to January 1, 2010 are for the basic portfolio only.

** The illiquid assets are only valued once per year as of December 31. The rates of return for private placements and infrastructure and renewable resources are preliminary and reflect December 31, 2013 internal rates of return, which is the industry standard for calculating returns for illiquid assets.

Top Ten Holdings

As at December 31, 2013

Total Canadian Equities

Company	Market Value ($ Thousands)	Per Cent of Total Canadian Equity
Royal Bank of Canada	$ 284,183	6.1
The Toronto-Dominion Bank	255,581	5.5
Bank of Nova Scotia	203,197	4.4
Suncor Energy Incorporated	160,555	3.5
Canadian National Railway Company	145,451	3.1
Valeant Pharmaceuticals International	114,175	2.5
Manulife Financial Corporation	113,141	2.4
Bank of Montreal	112,102	2.4
Canadian Natural Resources Limited	108,005	2.3
Enbridge Incorporated	97,925	2.1
Total Top 10	**$ 1,594,315**	**34.3**
Total Canadian Equities	**$ 4,648,968**	**100.0**

Total Global Equities

Company	Market Value ($ Thousands)	Per Cent of Total Global Equity
Google Incorporated	$ 139,746	1.2
Apple Incorporated	128,317	1.1
Exxon Mobil Corporation	117,805	1.0
Chinese State Controlled Companies*	115,091	1.0
Roche Holding AG	103,039	0.9
Microsoft Corporation	84,164	0.7
Procter & Gamble Company	80,424	0.7
Royal Dutch Shell Plc	78,090	0.7
General Electric Company	74,592	0.6
Johnson & Johnson	73,406	0.6
Total Top 10	**$ 994,674**	**8.5**
Total Global Equities	**$ 11,681,363**	**100.0**

Total Emerging Markets Equities

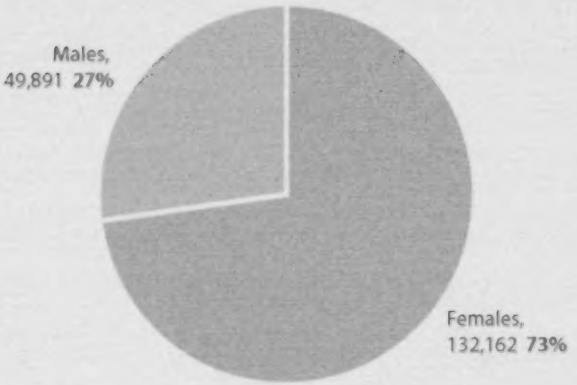
Company	Market Value ($ Thousands)	Per Cent of Total Emerging Markets Equity
Chinese State Controlled Companies*	$ 199,762	7.3
Samsung Electronics Company Limited	71,731	2.6
Housing Development Finance Corporation Limited	54,412	2.0
Taiwan Semiconductor Manufacturing	53,337	1.9
British American Tobacco Plc	52,831	1.9
Vale SA	43,035	1.6
Russian State Controlled Companies*	39,005	1.4
SABMiller Plc	38,528	1.4
Ambev SA	38,207	1.4
HDFC Bank Limited	37,713	1.4
Total Top 10	**$ 628,561**	**22.9**
Total Emerging Markets Equities	**$ 2,747,896**	**100.0**

* Company exposures are based on the ultimate parent company exposure regardless of where the security is listed or traded. As a result, the client exposure report shows Chinese state-controlled companies as one of the top exposures because the ultimate parent company for many companies in China, is the Chinese government. State-controlled companies in Russia are treated similarly.

Membership Information

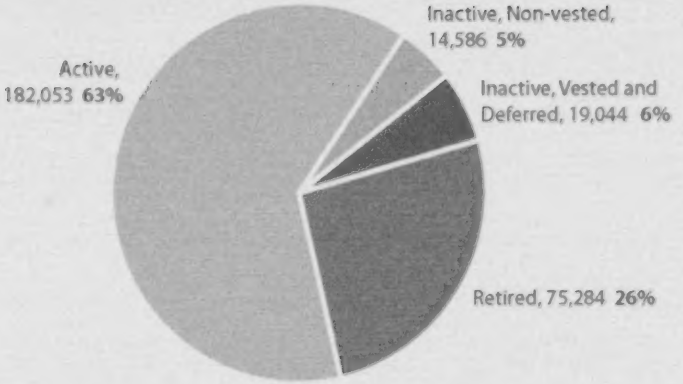
Active Member Profile by Gender

As at December 31, 2013



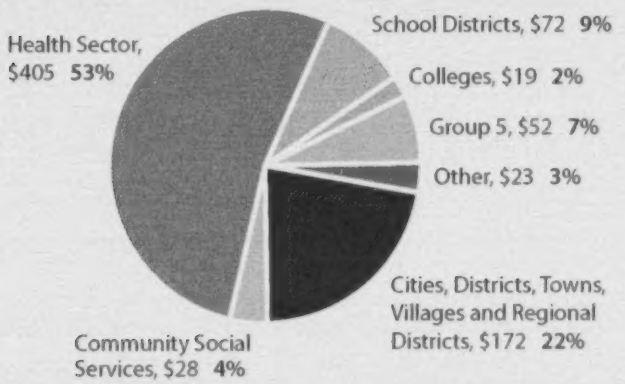
Active Member Profile

As at December 31, 2013



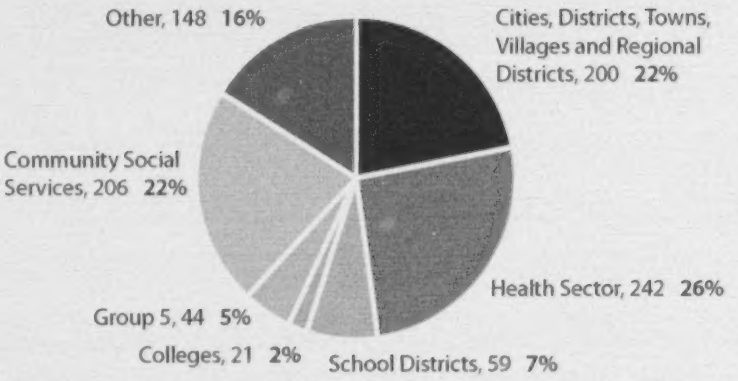
Total Regular Employer Contributions by Sector

For the year ended December 31, 2013
($ Millions)


Health Sector, $405 53%
School Districts, $72 9%
Colleges, $19 2%
Group 5, $52 7%
Other, $23 3%
Cities, Districts, Towns, Villages and Regional Districts, $172 22%
Community Social Services, $28 4%

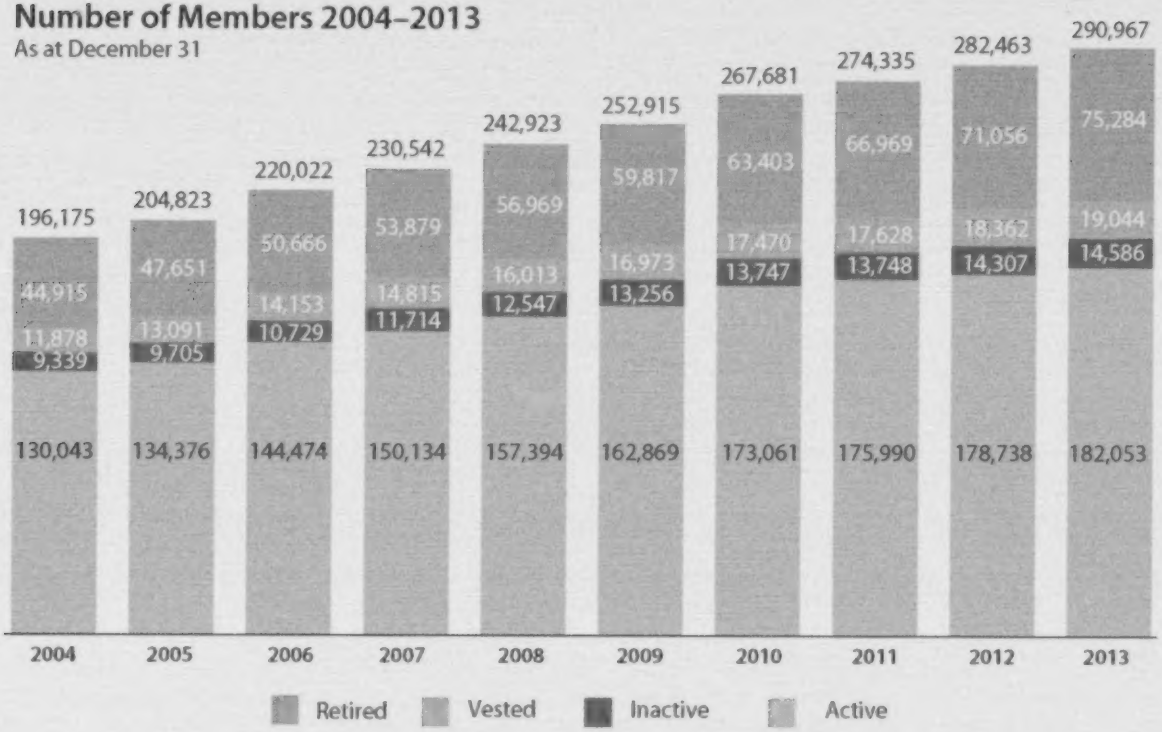
Municipal Pension Plan Employers

As at December 31, 2013

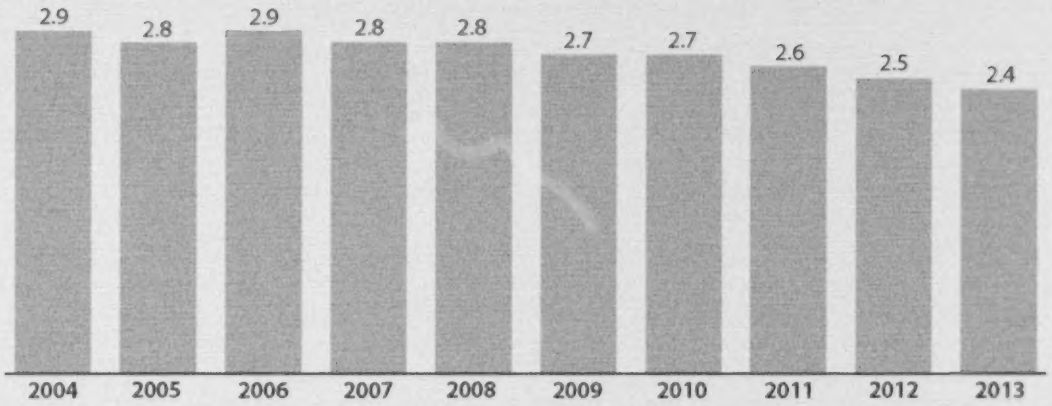

Other, 148 16%
Cities, Districts, Towns, Villages and Regional Districts, 200 22%
Community Social Services, 206 22%
Health Sector, 242 26%
Group 5, 44 5%
Colleges, 21 2%
School Districts, 59 7%

Number of Members 2004–2013

As at December 31

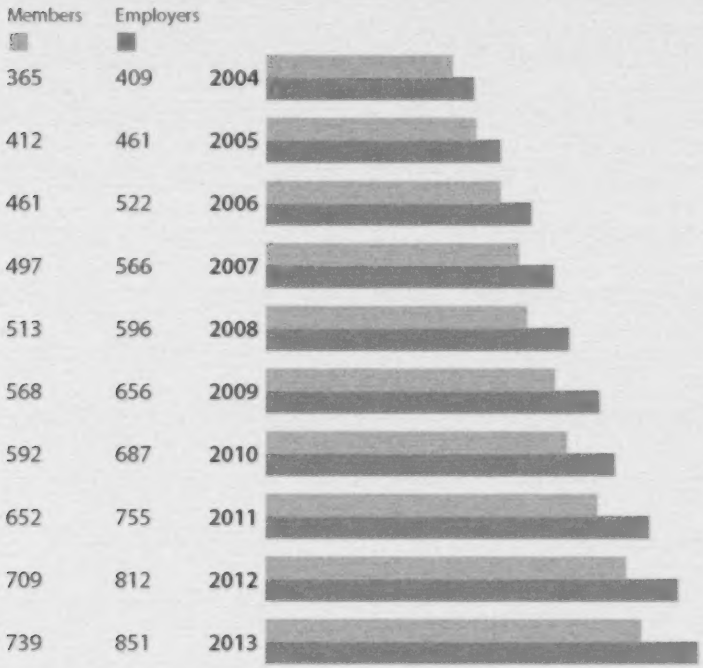


Ratio of Active to Retired Members 2004–2013



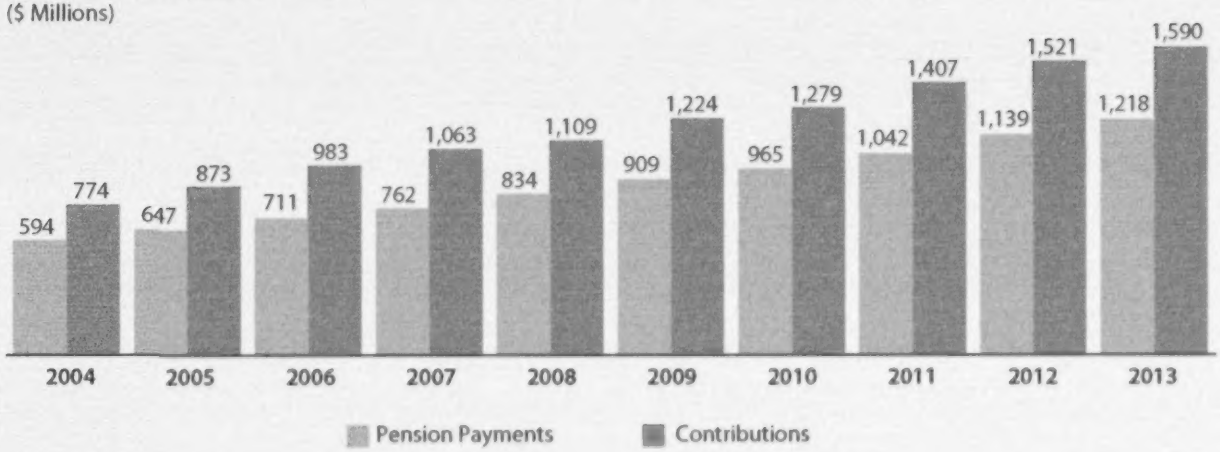
Contributions 2004–2013

Year ended December 31
($ Millions)



Pension Payments Compared to Contributions 2004–2013

Year ended December 31
($ Millions)



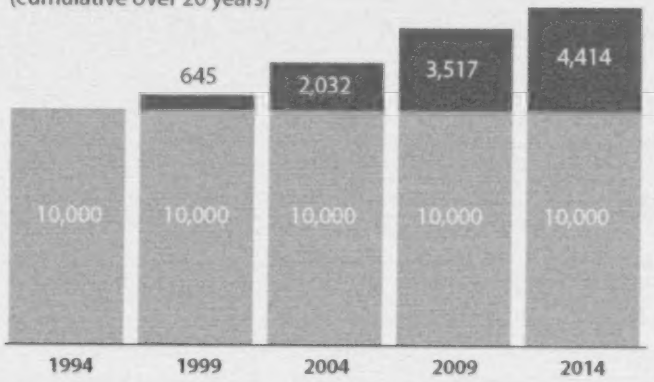
Average Value of New Pensions

Year ended December 31, 2013

	Age Range					Average Salary	Average Annual Pension	Median Annual Pension	Average Present Value of Pensions	Total Present Value of New Pensions ($ Millions)
Service Range	**< 55**	**55 < 60**	**60 < 65**	**≥ 65**	**Total**					
< 10 years	18	348	447	418	1,231	$ 56,000	$ 5,800	$ 4,400	$ 81,000	$ 99.7
10 < 15	9	286	349	207	851	58,000	12,600	10,700	179,000	152.3
15 < 20	6	266	333	183	788	58,000	17,400	15,600	265,000	208.8
20 < 25	16	260	401	171	848	62,000	23,900	21,000	364,000	308.7
25 < 30	44	234	264	96	638	70,000	33,400	28,700	526,000	335.6
30 < 35	30	318	175	49	572	69,000	41,500	37,300	649,000	371.2
≥ 35 years	4	124	83	36	247	72,000	44,300	40,100	709,000	175.1
Total	**127**	**1,836**	**2,052**	**1,160**	**5,175**	**$ 61,000**	**$ 20,800**	**$ 15,700**	**$ 316,000**	**$ 1,651.4**
Average Service NRA 60	27	29	27	8	28					
Average Service NRA 65	18	19	18	15	18					
Average Service All	**23**	**20**	**18**	**15**	**18**					
Average Age NRA 60					55					
Average Age NRA 65					61					
Average Age All					**61**					

Basic Pensions plus Cost-of-living Adjustments Granted

(cumulative over 20 years)



Net Assets Available for Benefits

As at December 31, 2013
($ Billions)

Contact the Municipal Pension Plan

Phone

Victoria:	250 953-3000
Toll-free in Canada and U.S.:	1 800 668-6335

Email

MPP@pensionsbc.ca

Web

Visit us online at mpp.pensionsbc.ca

On the Cover

Municipal Pension Plan member and Saanich, BC Police Constable Kim Basi shows her pearly whites as this year's cover girl.

Photo: Shannon Macey

Contributing today for a secure tomorrow

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